

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3096-01
BILL NO.: HB 1205
SUBJECT: Education, Elementary and Secondary: Taxation and Revenue, Property
TYPE: Original
DATE: January 13, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$0	(\$58,000,000)	(\$97,000,000)
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$58,000,000)	(\$97,000,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$58,000,000	\$97,000,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Elementary and Secondary Education** estimated the additional cost to fully fund the Foundation Formula if this proposal becomes law.

The current projection for Line 2 of the Formula for FY 2001 is \$1,942,840,000. This bill would reduce the amount about \$58,000,000, to \$1,884,555,000, in FY 2002 and approximately \$97,000,000, to \$1,845,698,000, in FY 2003.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Department of Elementary Education</u>			
Increased transfers to State School Moneys Fund	\$0	(\$58,000,000)	(\$97,000,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$58,000,000)</u>	<u>(\$97,000,000)</u>
STATE SCHOOL MONEYS FUND			
<u>Income</u> - Increased Transfers from General Revenue Fund	\$0	\$58,000,000	\$97,000,000
<u>Cost</u> - Increased Distributions to School Districts	\$0	(\$58,000,000)	(\$97,000,000)
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
SCHOOL DISTRICTS			
<u>Income</u> - Increased Distributions from State School Moneys Fund	\$0	\$58,000,000	\$97,000,000
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>\$58,000,000</u>	<u>\$97,000,000</u>

L.R. NO. 3096-01
BILL NO. HB 1205
PAGE 3 OF 3
January 13, 2000

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would change the equalized assessed valuation on line 2 of the Foundation Formula. The equalized assessed valuation would be multiplied by .97 for the 2001-2002 school year and by .95 for the 2002-2003 school year and subsequent school years.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not affect Total State Revenue.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

A handwritten signature in black ink, appearing to read "Jeanne Jarrett", with a stylized, cursive script.

Jeanne Jarrett, CPA
Director
January 13, 2000